



HEALTH AFFAIRS

THE ASSISTANT SECRETARY OF DEFENSE

1200 DEFENSE PENTAGON
WASHINGTON, DC 20301-1200

November 29, 2005

SUBJECT: Prescription Drug **Creditable Coverage** under TRICARE

Dear TRICARE/Medicare Beneficiary:

This notice has information about your current TRICARE prescription drug coverage and the Medicare prescription drug coverage that will be available January 1, 2006 for people who have Medicare Part A and/or Part B.

There will almost always be **no** advantage to enrolling in a Medicare prescription drug plan for **most** TRICARE beneficiaries. The exception is for individuals who have limited income and resources. On average, the TRICARE prescription drug coverage is at least as good as the standard Medicare prescription drug coverage, which means it is creditable coverage. **Because TRICARE prescription drug coverage is creditable coverage, you will not be required to pay extra if you decide to enroll in a Medicare prescription drug plan after the initial open enrollment period.**

All Medicare prescription drug plans will provide at least a standard level of coverage for about \$32 a month in 2006. There are two types of Medicare prescription drug plans:

- Prescription drug plans that add coverage to the Original Medicare plan.
- Prescription drug plans that are part of a managed care plan. Under this option you would also get all of your health care through the managed care plan.

Before deciding whether or not to enroll in a Medicare prescription drug plan, you should compare monthly premiums, deductibles, co-pays and drug coverage of various prescription drug plans in your area with your TRICARE prescription drug coverage. For more information about your TRICARE prescription drug coverage, access the TRICARE pharmacy website at www.tricare.osd.mil/pharmacy. If you do decide to enroll in a Medicare prescription drug plan, TRICARE will pay secondary to Medicare.

You are automatically eligible to receive extra help paying for prescription drugs if you receive Supplemental Security Income (SSI) payments and have Medicare, if you receive Medicaid with prescription drug coverage and have Medicare, or your state pays your Medicare premiums. You may also qualify for extra help paying for prescription drugs if your savings, investments, and real estate (other than your home) are not worth more than \$11,500, if you are single, or \$23,000 if you are married and living with your spouse. For more information on who can get extra help with prescription drug costs and how to apply, call the Social Security Administration at 1-800-772-1213. TTY users should call 1-800-325-0778.

Medicare beneficiaries can enroll in a Medicare prescription drug plan during the initial open enrollment period (November 15, 2005 – May 15, 2006). Each following year, Medicare beneficiaries will have the option to enroll in a Medicare prescription drug plan between

November 15th and December 31st, with prescription drug coverage beginning January 1st of the following year.

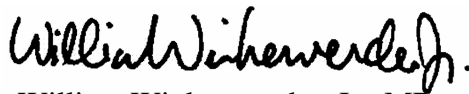
Under certain circumstances dependents or survivors may lose TRICARE coverage (remarriage, certain divorces, children attaining adulthood). If this happens, the beneficiary may sign up for Medicare prescription drug coverage with no late enrollment fee if action is taken within 62 days of losing TRICARE coverage. If you are without TRICARE coverage 63 days or more before enrolling in a Medicare prescription drug plan, you will have to pay an additional 1 percent for every month after May 15, 2006 that you did not have TRICARE coverage. For example, if you go nineteen months without TRICARE coverage, your premium will always be 19 percent higher than what most other people pay. You'll have to pay this higher premium as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to enroll.

More detailed information about Medicare prescription drug plans is available in the "Medicare and You 2006" handbook. You can also get more information about Medicare prescription drug plans from the following places:

- Visit www.medicare.gov for personalized help
- Call your State Health Insurance Assistance Program (see your copy of the "Medicare and You" handbook for their telephone numbers)
- Call 1-800 MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

Keep this notice. If you enroll in one of the Medicare prescription drug plans after May 15, 2006, you may need to provide a copy of this notice to show that you are not required to pay a higher premium amount.

Sincerely,

A handwritten signature in black ink that reads "William Winkenwerder, Jr." The signature is written in a cursive, flowing style.

William Winkenwerder, Jr., MD